

April 4, 2005

## Montana Medicaid Notice

### Optometric, Optician, Physician, Podiatry, Mid-level Practitioner, Public Health Clinic, QMB Chiropractor, Psychiatrist, IDTF, Lab & X-Ray, School, Physical, Occupational and Speech Therapy Providers

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#### Pricing Logic Changes for Professional (CMS-1500) Claims

The Medicaid claims system has been updated with the following changes effective April 1, 2005. Claims with dates of service from January 1, 2004 and forward will be processed using this new logic, and affected claims processed prior to April 1 will be adjusted.

**Modifier Pricing.** All three modifiers will now be considered in the pricing calculation for each line. Previously only the first two modifiers were considered for pricing. We have also updated our modifier grouping logic to allow all appropriate combinations of modifiers to be billed together on one line, and to deny inappropriate modifier combinations. With these changes, modifier pricing will be in line with correct coding and reimbursement guidelines. Providers should note this system change may result in lower allowed charges.

We have noted the most common modifier grouping error occurs when both modifiers 51 and 59 are billed on the same line. These modifiers should not be billed together and will be denied if both are present. Please note that denials for the modifier 51/59 combination will not be applied for electronic Medicare Part B crossovers as Medicare's system adds the 51 modifier.

**By-Report Pricing.** When a line is priced using "by report" reimbursement, meaning the procedure code or one of the procedure code modifiers is reimbursed using "by report" logic, the individual provider percent reimbursement will be taken from applicable services. For "by report" procedures or modifiers, 90% of physician reimbursement will be applied for EPSDT providers, mid-level practitioners, therapists, and schools; 62% of physician reimbursement will be applied for mental health providers, and 125% of physician reimbursement will be applied for psychiatrists (ARM 37.86.205).

#### Contact Information

For claims questions or additional information, contact Provider Relations:

**Provider Relations in Helena and out-of-state: (406) 442-1837**

**In-state toll-free: 1-800-624-3958**

Visit the Provider Information website:

**<http://www.mtmedicaid.org>**